



United Terra Enterprises PLC  
Feldkircher Strasse 31, FL – 9494 Schaan

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS**

**AND**

**PRO-FORMA COMBINED FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE THREE AND NINE MONTH PERIOD ENDING SEPTEMBER 30, 2025**

**United Terra Enterprises PLC**

Feldkircher Strasse 31, FL – 9494 Schaan

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read together with the combined financial statements of the Group and the unaudited consolidated financial statements of Eurybia as at and for the quarter ended September 30, 2025, including the accompanying notes. The unaudited financial statements and the accompanying notes have been prepared in accordance with IFRS as adopted by the European Union.

The discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

**Overview**

United Terra Enterprises is the holding entity of Eurybia, an independent oil and gas enterprise engaged in the exploration and production of crude oil in Albania. Eurybia’s sole Field and license area is the Visoka Field, located in the highly-fractured and karsted carbonate reservoirs of Eocene/Cretaceous age; hanging wall anticlines created in the Albanides thrust zone in southern Albania. Visoka is operated by Eurybia’s 100% owned subsidiary UTS.

All of the Group’s revenues are generated by its crude oil sales. Visoka is currently in the evaluation phase and the Group sells its production on the local market. Once the Field reaches commercial levels of production, the Issuer intends to export its production by ship to the global markets. Average production was the first nine months of 2025 was 162 boe/d versus 215 boe/d in 2024. Delays in receiving financing to execute the work program for Visoka resulted in the declining production.

The primary factors affecting the Group’s results of operations are: (i) the prices received by the Group for its oil, (ii) the quantities of oil produced for a given period, (iii) the costs incurred to produce and process its oil, (iv) administrative costs incurred by the Group, and (v) amounts payable to Albpetrol pursuant to the production sharing agreement.

The following table sets forth Eurybia’s revenues from the sale of its oil net of royalties, operating costs, administrative costs, gross profit, profit before income tax and net income/(loss) for the quarter and three quarters ended September 30, 2025 and 2024:

(U.S. \$ thousands)	Nine months ending September 30		Three months ending September 30	
	2025	2024	2025	2024
Oil sales	1,658	2,112	476	410
Other Revenue	434	128	377	14
Operating expenses	(2,114)	(2,267)	(348)	(416)
General & administrative	(2,923)	(4,811)	(1,350)	(1,507)
Operating profit/(loss)	<b>(3,224)</b>	<b>(5,033)</b>	<b>(1,000)</b>	<b>(1,562)</b>
Profit/(loss) before income tax	(3,665)	(6,356)	(1,141)	(1,840)
Profit/(loss) for the period	<b>(2,863)</b>	<b>(5,664)</b>	<b>(1,894)</b>	<b>(1,567)</b>

## Oil Sales

The primary factors affecting the Group's results of operations during the periods under review are the following:

### Pricing

The pricing for all of the Group's oil is directly related to the price of Brent crude oil. According to Bloomberg, the spot price of Brent crude fluctuated between U.S. \$60.23 and U.S. \$82.03 per barrel during the first nine months of 2025 and closed the quarter at U.S. \$67.02. The price closed at U.S. \$ 61.12 on December 12, 2025. Oil is sold at a discount to Brent, averaging approximately 37%, to account for quality differences and transportation costs that are paid by the purchaser. The Group is exposed to risks related to the general worldwide financial, economic and geopolitical environment and volatile fuel markets. Fluctuations in oil prices and demand and production of oil could have an adverse impact on the Group's business, results of operations, financial condition and prospects.

The Group does not currently hedge its production but will consider a hedging program once production volumes increase.

### Volume

The volumes of oil sold are dependent on production volumes and customer requirements. The following table sets forth the volumes sold and average price for the quarter and three quarters ended September 30, 2025 and 2024.

	Nine months ending September 30		Three months ending September 30	
	2025	2024	2025	2024
Sales volume in bbls	45,857	45,675	12,818	9,359
Average Price U.S. \$	40.18	52.01	41.27	50.86

### Royalties

Eurybia pays a flat 10% royalty on oil sales. Additionally, the Albanian government is entitled to a share of production, currently 1% of production, plus a share of pre-existing production, currently 38 barrels per day, declining on an annual basis by 10% per year. These volumes are included in sales to government organizations and royalties at the average selling price of oil for the month and included in royalties in the same value.

### Operating expenses

Eurybia's operating expenses include costs of personnel, materials and repairs, energy, well servicing and leases, transportation, security and other expenses. Fluctuations in operating expenses can be caused by changing prices, levels of consumption or oil inventory levels, because operating expenses are reduced when inventory levels build and increase when inventory levels decrease. The most material of these are personnel, materials and repairs and energy costs.

(U.S. \$ thousands)	Nine months ending September 30		Three months ending September 30	
	2025	2024	2025	2024
Personnel	(618)	(562)	(182)	(129)
Materials and repairs	(510)	(633)	(17)	(27)
Energy	(540)	(573)	(39)	(129)

In the period ended September 30, 2025 there was a slight increase in oil inventory which proportionately increased operating costs. The increase in personnel costs in 2025 over 2024 was

driven in part by an increased allocation of labor costs to inventory in 2025. The driving factor for the decrease for materials and repairs in 2025 over 2024 was reduced consumption of diluent at lower prices. Diluent enables heavy oil to flow into the wellbore more easily and for oil in tanks to be less viscous. The diluent price is directly tied to the price of oil, so the cost of diluent increases as oil prices rise.

Energy for powering pumps on wells and the central processing facility is the other major operating cost. We won a case against our Albanian energy supplier in May 2024 for the overbilling of electricity costs and were awarded penalties for non-payment of the overbilled amounts. This judgement has not been reflected in the financial statements and will be reflected when the appeals period expires and a final judgement is rendered. Energy costs in 2024 are recorded at the base price found by the court. The Group has received government approval to build a 3 MW solar facility to supply power to its operations and this is expected to have a material impact on reducing energy costs once constructed.

### General and Administrative Expenses

(U.S. \$ thousands)	Nine months ending September 30		Three months ending September 30	
	2025	2024	2025	2024
Personnel	(1,618)	(2,167)	(593)	(832)
Professional fees	(730)	(1,585)	(518)	(398)
Financial advisory	(113)	(516)	(59)	(134)

Personnel expenses decreased between 2025 and 2024 mainly due to decreased activities utilizing expatriate contract workers in Visoka. Professional fees for the period ending September 30, 2025 decreased due to legal costs associated with the preparation of the offering memorandum and restructuring of the Group which were incurred in 2024.

Financial advisory costs were comprised principally of fees paid to advisors for sourcing investors during the relevant periods.

### Finance expenses

(U.S. \$ thousands)	Nine months ending September 30		Three months ending September 30	
	2025	2024	2025	2024
Interest and bank charges	(188)	(217)	(8)	(20)
Net foreign exchange gain (loss)	(223)	(1,100)	(118)	(254)

Interest expense in the period ended September 30, 2025 was primarily related to bridge loans which which the Group secured to fund operations until the Notes were issued. Exchange gains and losses were primarily due to fluctuations between the U.S. dollar and the Swiss Franc and Albanian Lek. The Group does not presently hedge foreign currencies.

Net losses for the periods for the periods under consideration varied for the reasons described above.

## Liquidity and Capital Resources

### General

The Group's principal sources of funds were cash from its financing activities and operations. Its liquidity requirements primarily relate to meeting ongoing operations and to funding capital expenditures and working capital requirements.

(U.S. \$ thousands)	Nine months ending September 30		Three months ending September 30	
	2025	2024	2025	2024
Cash flows from operating activities	(234)	(4,827)	107	(1,118)
Cash flows from investing activities	(506)	(645)	(246)	(394)
Cash flows from financing activities	715	(1,965)	137	41
Cash and cash equivalents at the end of the period	35	223	35	223

Cash for the Group is centralized at the level of the Issuer and distributed within the Group as required for operations. Investing activities are primarily investments in property, plant and equipment and exploration and evaluation assets. 2024 saw a large outflow of cash to repay debtholders of the Group. Additionally, investments in oil assets were relatively flat between 2023 and 2024 with a decrease in the third quarter of 2024 while we waited for the closing of the Notes.

The Group's capital resources have diminished due to longer than projected timeframes in concluding the sale of the Notes. The Notes offering closed on September 10, 2025. The notes were deposited into treasury with the dealers selling the Notes and are being offered in the secondary market. The Notes were listed on the Frankfurt stock exchange on November 13, 2025 and the Group has engaged counsel in Dubai to dual list the Notes on the Dubai NASDAQ exchange.

### Summary of Significant Accounting Policies

The Group's significant accounting policies are more fully described in Note 1 to the Financial Statements of Eurybia. However, certain of the Group's accounting policies are particularly important to the presentation of the Group's results of operations and require the application of significant judgment by its management.

In applying these policies, the Group's management uses its judgment to determine the appropriate assumptions to be used in determining estimates used in the preparation of the Group's results of operations. These estimates are based on the Group's previous experience, the terms of existing contracts, information available from external sources and other factors, as appropriate.

The Group's management believes that, among others, the following accounting policies that involve management judgments and estimates are the most critical to understanding and evaluating its reported financial results.

### Exploration and evaluation assets

Pre-license costs are recognized in the statement of comprehensive income as incurred.

Exploration and evaluation ("E&E") costs, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as either tangible or intangible E&E assets according to the nature of the assets acquired. E&E costs are accumulated on an oilfield level pending determination of technical feasibility and commercial viability. The Group has developed a field development plan which details its plans to achieve commercial viability.

E&E assets are assessed at the field level for impairment. The field level is appropriate to consider impairment because the Group makes its economic decisions at the field level, assets are shared, production is comingled and treated together, and sales of product are negotiated at the field level. E&E assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The technical feasibility and commercial viability of a license is considered to be determinable based on several factors, including the assignment of proven reserves. A review of an exploration license or Field is carried out at least annually to ascertain whether the project is technically feasible and commercially viable. Upon determination of technical feasibility and commercial viability of a license, E&E assets attributable to the reserves estimated for the license are first tested for impairment and then reclassified from E&E assets to a separate category within property, plant and equipment, referred to as development and production assets. For more detailed information in relation to exploration and evaluation assets, please see Note 11 to the annual Financial Statements.

### **Property, Plant and Equipment**

Expenditure on the construction, installation or completion of infrastructure facilities such as treatment facilities, pipelines and the drilling of development wells, is capitalized within property, plant and equipment. The initial cost of an asset includes its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligations, if any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the year in which they are incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and grounds 20 – 25 years

Machinery and equipment 5 years

Furniture and fixtures 4 – 5 years

Vehicles 5 years

Tangible assets used in exploration and evaluation activities (such as the Group's machinery and equipment) are classified as property, plant and equipment. However, to the extent that such tangible assets are consumed in developing an E&E asset, the amount reflecting that consumption is recorded as part of the E&E assets. Consequently, depreciation on tangible assets used in exploration and evaluation activities is capitalized as exploration and evaluation assets.

For more detailed information in relation to property, plant and equipment, please refer to Note 6 to the third quarter Financial Statements of Eurybia.

## Leases

A contract is, or contains, a lease if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration. A lease obligation is recognized at the commencement of the lease term measured as the present value of the lease payments not already paid at that date. Interest expense is recognized on the lease obligations using the effective interest rate method and net payments are applied against the lease obligation. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease obligation, adjusted for lease incentives received and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. The following table reconciles the Group's lease obligations as at September 30, 2025:

	(U.S. \$ thousands)
Less than 1 year	137
1 - 3 years	138
Total lease payments	275
Amounts representing interest	15
Present value of net lease payments	260
Current portion of lease obligations	127
Non-current portion of lease obligations	133

## Deferred Tax

Deferred tax is recognized on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## Disclosure about Market Risk

The Group is exposed to a variety of market risks with respect to the market price of crude oil, foreign currency exchange rates, interest rates and the creditworthiness of the counterparties with whom the Group expects payments under normal commercial conditions:

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The majority of the Group's trade receivable balances relate to oil sales. The Group's policy is to enter into agreements with customers that are well-established and well-financed entities in the oil industry such that the level of risk is

mitigated. To date, the Group has not experienced any credit losses in the collection of its trade receivables.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or jeopardizing the Group's business objectives.

The Group prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. oil production is monitored to provide current cash flow estimates, and the Group utilizes authorizations for expenditures on projects to manage capital expenditures.

The Group monitors its liquidity position regularly to assess whether it has the resources necessary to fund planned exploration commitments on its E&E assets or that viable options are available to fund such commitments from new equity issuances or alternative sources of financing such as farm-out agreements. However, as an exploration company at an early stage of development and without significant internally generated cash flow, there are inherent liquidity risks, including the possibility that additional financing may not be available to the Group, or that actual exploration expenditures may exceed those planned. Alternatives available to the Group to manage its liquidity risk include deferring planned capital expenditures that exceed amounts required by work programs to retain concession licenses, farm-out arrangements and securing new equity or debt capital. Amounts in current accounts payable and accrued liabilities are due on demand.

The contractual maturities of financial liabilities, at September 30, 2025 are as follows:

(U.S. \$ thousands)	Carrying Amount	Contractual Cash Flows	2025	2026	2027	2028 and Later
Accounts payable and accrued liabilities	14,714	14,714	8,014	6,700	-	-
Current financial liabilities	5,102	5,102	2,002	3,100	-	-
VAT and other taxes net payables	61	61	61	-	-	-
Non-current financial liabilities	8,270	8,270	-	926	599	5,176
<b>Total</b>	<b>27,379</b>	<b>27,379</b>	<b>10,077</b>	<b>10,726</b>	<b>599</b>	<b>5,176</b>

### Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, interest rates and commodity prices, will affect the Group's cash flows, profit or loss, liquidity or the value of the financial instruments. The objective of market risk management is to mitigate market risk exposures where considered appropriate and maximize returns.

### Foreign currency exchange rate risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Group is exposed to foreign currency fluctuations as certain expenditures are denominated in Euros and Albanian Lek.

**Interest rate risk**

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group's Notes which are being sold from treasury are exposed to interest rate risk.

The Group has not entered into any interest rate hedges or swaps.

**Commodity price risk**

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in commodity prices. Lower commodity prices can also impact the Group's ability to raise capital. Commodity prices for oil are impacted by world economic events that dictate the levels of supply and demand. From time to time the Group may attempt to mitigate commodity price risk through the use of financial derivatives. The Group's production is usually sold using "spot" or near-term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price.

The Group has not entered into any mitigating commodity futures and has no commodity price risk on its financial instruments.

United Terra Enterprises PLC  
Pro-forma Combined Balance Sheet (Unaudited)

(U.S.\$ thousands)	As at:	
	30 September 2025	31 December 2024
<b>Assets</b>		
<b><i>Current assets</i></b>		
Inventories	3,926	4,191
Financial assets	49	44
Receivables and prepaid expenses	5,593	4,933
Cash and cash equivalents	35	60
<b>Total current assets</b>	<b>9,603</b>	<b>9,228</b>
<b><i>Non-current assets</i></b>		
Property, plant and equipment	924	1,038
Investments in group companies	25	25
Advances to Group companies	258	7
Exploration and evaluation assets	39,809	38,959
Deferred tax assets	14,265	13,462
<b>Total non-current assets</b>	<b>55,281</b>	<b>53,491</b>
<b>Total assets</b>	<b>64,884</b>	<b>62,719</b>
<b>Liabilities and equity</b>		
<b><i>Current liabilities</i></b>		
Accounts payable and accrued liabilities	14,714	10,865
Lease obligations	127	110
VAT and current tax liabilities	61	92
Financial liabilities	5,102	3,787
<b>Total current liabilities</b>	<b>20,004</b>	<b>14,854</b>
<b><i>Non-current liabilities</i></b>		
Financial liabilities	7,502	6,701
Deferred tax liabilities	151	134
Lease obligations	133	203
Decommissioning obligation	159	144
Employee benefits	325	289
<b>Total non-current liabilities</b>	<b>8,270</b>	<b>7,471</b>
<b><i>Equity</i></b>		
Share capital	17,875	10,573
Treasury shares	(1,017)	(1,017)
Other reserves	84,824	93,047
Retained earnings	(65,072)	(62,209)
<b>Total equity</b>	<b>36,610</b>	<b>40,394</b>
<b>Total liabilities and equity</b>	<b>64,884</b>	<b>62,719</b>

United Terra Enterprises PLC  
Pro-forma Combined Income Statement (Unaudited)

(U.S.\$ thousands)	Nine months ended		Three months ended	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
<b>Revenue</b>				
Oil sales	1,658	2,112	476	410
Other revenue	434	128	377	14
<b>Total operating revenues</b>	<b>2,092</b>	<b>2,240</b>	<b>853</b>	<b>424</b>
<b>Other income</b>				
<b>Expenses</b>				
Operating	(2,114)	(2,267)	(348)	(416)
Sales and transportation	(119)	(39)	(99)	(7)
General & administrative	(2,923)	(4,811)	(1,350)	(1,507)
Depreciation and impairment	(160)	(156)	(56)	(56)
<b>Operating profit/(loss)</b>	<b>(3,224)</b>	<b>(5,033)</b>	<b>(1,000)</b>	<b>(1,562)</b>
Net finance income/(expense)	(441)	(1,323)	(141)	(278)
<b>Profit/(loss) before income tax</b>	<b>(3,665)</b>	<b>(6,356)</b>	<b>(1,141)</b>	<b>(1,840)</b>
Income tax income/(expense)	802	692	(753)	273
<b>Profit/(loss) for the period</b>	<b>(2,863)</b>	<b>(5,664)</b>	<b>(1,894)</b>	<b>(1,567)</b>
<b>Profit/(loss) for the period</b>	<b>(2,863)</b>	<b>(5,664)</b>	<b>(1,894)</b>	<b>(1,567)</b>
<b>Other comprehensive income/(loss), net of tax</b>				
Items that may be reclassified to profit or loss				
Currency translation differences	(230)	173	(20)	(73)
Items that are not reclassified to profit or loss in later periods				
Retirement benefit remeasurements	-	-	-	-
<b>Other comprehensive income/(loss)</b>	<b>(230)</b>	<b>173</b>	<b>(17)</b>	<b>(73)</b>
<b>Total comprehensive income/(loss)</b>	<b>(3,093)</b>	<b>(5,491)</b>	<b>(1,911)</b>	<b>(1,640)</b>

United Terra Enterprises PLC  
Pro-forma Combined Statement of Cashflows (Unaudited)

(U.S.\$ thousands)	Nine months ended		Three months ended	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
<b>Cash flows from operating activities</b>				
Profit/(loss) for the year	(2,863)	(5,662)	(1,894)	(1,509)
Adjustments for				
Income tax income/(expense)	(802)	(692)	753	(275)
Depreciation and impairment	159	156	55	56
Interest on financial liabilities	161	115	4	10
Interest on due from affiliate	-	-	-	-
Income taxes paid	(9)	11	(9)	-
Other non-cash movements	-	1	10	-
Unrealized foreign exchange	280	-	151	44
<b>Cash flows before change in operating assets and liabilities</b>	<b>(3,074)</b>	<b>(6,071)</b>	<b>(930)</b>	<b>(1,674)</b>
Working capital adjustments				
(Increase)/ Decrease in inventories	265	(1,871)	133	(911)
(Increase)/ Decrease in receivables and prepaid expenses	(325)	2,482	(60)	(749)
(Decrease)/ Increase in accounts payable and accrued liabilities	2,885	622	959	2,212
Other changes			-	-
(Decrease)/ Increase in decommissioning obligation	15	11	5	4
<b>Total cash flows from operating activities</b>	<b>(234)</b>	<b>(4,827)</b>	<b>107</b>	<b>(1,118)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	-	(216)	-	(1)
Purchase of exploration and evaluation assets	(506)	(429)	(246)	(393)
Purchase of financial assets	-	-	-	-
Investment in Group Companies	-	-	-	-
Proceeds from sales of financial assets	-	-	-	-
<b>Total cash flows from investing activities</b>	<b>(506)</b>	<b>(645)</b>	<b>(246)</b>	<b>(394)</b>
<b>Cash flows from financing activities</b>				
Proceeds from financial liabilities	798	(170)	109	356
Proceeds from sales of borrowed shares	-	(35)	-	(35)
Repayment of financial liabilities	(13)	(1,669)	-	(411)
Payment of lease obligations	(70)	(91)	(28)	(22)
<b>Total cash flows from financing activities</b>	<b>715</b>	<b>(1,965)</b>	<b>137</b>	<b>41</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(25)</b>		<b>(2)</b>	
Cash and cash equivalents at the beginning of the financial year	60	7,527	35	147
Effects of exchange rate changes on cash and cash equivalents	-	133	-	76
<b>Cash and cash equivalents at the end of the period</b>	<b>35</b>	<b>223</b>	<b>35</b>	<b>223</b>